

TRADEMARK ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
FOREST GROVE LUMBER COMPANY INC.		11/24/2009	CORPORATION: OREGON

RECEIVING PARTY DATA

Name:	WELLS FARGO BANK, NATIONAL ASSOCIATION
Street Address:	1300 SW Fifth Avenue
Internal Address:	MAC P 6101-144
City:	Portland
State/Country:	OREGON
Postal Code:	97201
Entity Type:	National Association: UNITED STATES

PROPERTY NUMBERS Total: 6

Property Type	Number	Word Mark
Registration Number:	1579031	ACCURUFF
Registration Number:	2054962	ACCURUFF
Registration Number:	2839400	E-FIELD
Registration Number:	2837622	HEATWAVE
Registration Number:	2766096	Q-SIFT
Registration Number:	2945224	TRU-DRY

CORRESPONDENCE DATA

Fax Number: (503)778-2200

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 503-778-2031

Email: trademarks@lanepowell.com

Correspondent Name: Renee Peck

Address Line 1: 601 SW Second Avenue

Address Line 2: Suite 2100

900151241

TRADEMARK
REEL: 004124 FRAME: 0500

OP \$165.00 1579031

Address Line 4: Portland, OREGON 97204

ATTORNEY DOCKET NUMBER: 105727.933

NAME OF SUBMITTER: Renee B. Peck

Signature: /Renee B. Peck/

Date: 01/05/2010

Total Attachments: 28

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (the "Agreement") is made as of November 24 2009 (the "Effective Date"), by and among WELLS FARGO BANK, NATIONAL ASSOCIATION ("Secured Party" or "Wells Fargo") on the one hand, and FOREST GROVE LUMBER COMPANY, INC. an Oregon Corporation, (the "Grantor"), and, in respect of Sections 1(c) and 4(f), below, only, FOREST GROVE ASSOCIATES, INC., an Oregon Corporation ("FGA") SIDNEY T. SMITH ("Smith"), STEVEN G. LOVE ("Love") and ROBERT J. BURNARD ("Burnard"), on the other hand, as follows:

WHEREAS, Grantor is the owner of or has the rights to exploit certain Intellectual Property (as defined below), including without limitation the patents, copyrights and trademarks listed on the attached Schedule A, (collectively, the "Forest Grove Lumber Intellectual Property");

WHEREAS, Grantor and Secured Party have entered into that certain Agreement, dated September 30, 2009, in which Secured Party has agreed, among other things, to extend Grantor's revolving line of credit, as further described and defined therein (the "Forebearance And Repayment Agreement");

WHEREAS, the Forest Grove Lumber Intellectual Property listed on the attached Schedule A is related to, necessary, used and/or useful in connection with the Forest Grove Lumber's products and services;

WHEREAS, the parties agree that Grantor's obligations under the Forebearance And Repayment Agreement shall be secured by a security interest in the Forest Grove Lumber Intellectual Property, as set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. Definitions.

(a) The term "Affiliate" means any entity controlled by, controlling or under common control with Grantor, including any subsidiary of Grantor. For purposes of this definition, "control," when used with respect to any specified entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

(b) The term "Default" means an event which with notice, the passage of time, or both will or has become an Event of Default.

(c) The term "Event of Default" means the failure of the Grantor, FGA, Smith, Love and/or Bernard to perform any of the Obligations as and when due to be performed under the terms of the Forebearance And Repayment Agreement, including

without limitation under the Indebtedness and/or the Loan Documents, as those terms are defined in Section 1(c) of the Forebearance And Repayment Agreement (hereinafter referred to in this Agreement as the "Indebtedness" and the "Loan Documents" respectively).

(d) The term "Intellectual Property" means and includes whether federal, state or common law in the United States, foreign or international, the following to the extent related to, necessary, used or useful in connection with any and all Forest Grove Lumber products or services: (i) corporate names, all fictional business names, trade names, registered and unregistered trademarks, service marks, collective membership marks, trade dress and domain names, and all applications therefor (collectively, "Marks"); (ii) all patents and patent applications (whether design or utility), any divisionals, continuations, and continuation-in-part patents (and their relevant international equivalents) of such patents; and, any patents resulting from reissues, reexaminations, or extensions (and their relevant international equivalents) of such patents. and any inventions and discoveries that may be patentable (collectively, "Patents"); (iii) all copyrights in works of authorship, whether published or unpublished, registered and unregistered (collectively, "Copyrights"); (iv) all rights in mask works; and (v) all materials, data and information related to ideas, concepts, non-patentable discoveries and inventions, know-how, trade secrets, confidential and proprietary information, customer lists, software and algorithms, technical information, data, processes, technology, designs, developments, devices, formulae, methods, patterns, protocols, techniques, plans, drawings, works in progress and blue prints (collectively, "Trade Secrets"); and all other intellectual and industrial property and related rights, whether statutory or common law, and whether protected, created or arising under the laws of the United States or any other jurisdiction owned, used, or licensed by the Grantor as licensee or licensor.

(e) The term "Obligations" means all of the covenants, obligations and liabilities of Grantor to Secured Party arising under or in respect of the Forebearance And Repayment Agreement including without limitation under the Indebtedness, the Loan Documents, and/or this Agreement, individually or collectively.

2. Grant of Collateral. As security for the performance of all Obligations, Grantor hereby irrevocably pledges and assigns to, and grants Secured Party a security interest, in all of Grantor's right, title and interest in, to, and under the following property, in each case whether now or hereafter existing or arising or in which Grantor now has or hereafter owns, acquires or develops an interest and wherever located (collectively, the "Collateral"):

- (a) the Forest Grove Lumber Intellectual Property;
- (b) all licenses relating to any of the foregoing, whether registered or unregistered and wherever registered;

(c) all rights to sue for past, present or future infringement or unauthorized use thereof, all rights arising therefrom and pertaining thereto and any and all reissues, extensions and renewals thereof;

(d) the entire goodwill of or associated with the businesses now or hereafter conducted by Grantor connected with and symbolized by any of the aforementioned properties and assets;

(e) all general intangibles, and all intangible intellectual or other similar property of Grantor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(f) all proceeds of any and all of the foregoing Collateral (including license royalties, rights to payment, accounts receivable and proceeds of infringement or related suits) and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof) or any indemnity, warranty, representation or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

3. Further Acts.

(a) Grantor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral, and (b) provide any other information required by part 5 of Article 9 of the Uniform Commercial Code ("UCC") of the applicable state, for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Grantor is an organization, the type of organization and any organizational identification number issued to Grantor. Grantor agrees to furnish any such information to Secured Party promptly upon Secured Party's request.

(b) On a continuing basis, Grantor shall, at the request of Secured Party, make, execute, acknowledge and deliver, and permit Secured Party to file and record in the proper filing and recording places, all such instruments and documents, and Grantor shall otherwise take all such action as may be reasonably necessary or advisable or may be requested by Secured Party to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted hereby, to ensure Grantor's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the United States Patent and Trademark Office ("PTO"), the United States Copyright Office ("CO") or any applicable state office. Secured Party may record this Agreement, an abstract thereof, or any other document describing Secured Party's interest in the Collateral with the PTO and CO, including the attached Schedule B, which Grantor shall execute as required by Secured Party under this Section. If the Grantor shall at any time hold or acquire a commercial tort claim arising with respect to the Collateral, the Grantor shall promptly notify Secured Party in a writing signed by the Grantor of the details thereof and grant to

Secured Party in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to Secured Party.

4. Representations and Warranties.

(a) Grantor has delivered to Secured Party a certificate signed by Grantor and entitled "Perfection Certificate" (the "Perfection Certificate"). Grantor represents and warrants to Secured Party as follows: (i) Grantor's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof, (ii) Grantor is an organization of the type, and is organized in the jurisdiction set forth in the Perfection Certificate, (iii) the Perfection Certificate accurately sets forth Grantor's organizational identification number or accurately states that Grantor has none, (iv) the Perfection Certificate accurately sets forth Grantor's place of business or, if more than one, its chief executive office, as well as Grantor's mailing address, if different, (v) all other information set forth on the Perfection Certificate pertaining to Grantor is accurate and complete in all material respects, and (vi) that there has been no change in any information provided in the Perfection Certificate since the date on which it was executed by Grantor.

(b) Schedule A accurately lists all Patents owned or controlled by the Grantor as of the date hereof, or to which the Grantor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, the Grantor owns, controls or has a right to have assigned to it any Patents not listed on Schedule A, or if Schedule A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Grantor shall within 60 days provide written notice to the Secured Party with a replacement Schedule A, which upon acceptance by the Secured Party shall become part of this Agreement.

(c) Schedule A accurately lists all Marks owned or controlled by the Grantor as of the date hereof and accurately reflects the existence and status of Marks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Schedule A need not list common law marks (i.e., Marks for which there are no applications or registrations) which are not material to the Grantor's or any Affiliate's business(es). If after the date hereof, the Grantor owns or controls any Marks not listed on Schedule A (other than common law marks which are not material to the Grantor's or any Affiliate's business(es)), or if Schedule A ceases to accurately reflect the existence and status of applications and registrations pertaining to the Marks, then the Grantor shall promptly provide written notice to the Secured Party with a replacement Schedule A, which upon acceptance by the Secured Party shall become part of this Agreement.

(d) As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by the Grantor, constitute Patents, Marks, or Copyrights. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then the Grantor shall

promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Grantor; or (ii) notify the Secured Party of such item(s) and cause such Affiliate to execute and deliver to the Secured Party a patent and trademark security agreement substantially in the form of this Agreement.

(e) The Grantor has absolute title to the Forest Grove Lumber Intellectual Property, including without limitation each Patent, Copyright and Mark listed on Schedule A, free and clear of all liens except permitted liens listed in Schedule C hereto (the "Permitted Liens"). The Grantor (i) will have, at the time the Grantor acquires any rights in Patents, Copyrights, or Marks hereafter arising, absolute title to each such Patent, Copyright, or Mark free and clear of all liens except Permitted Liens, and (ii) will keep all Patents, Copyrights, and Marks free and clear of all liens except Permitted Liens.

(f) Each of Grantor, FGA, Smith, Love and/or Bernard jointly and severally, represents and warrants that the Forest Grove Lumber Intellectual Property does not and will not infringe, violate or misappropriate any right, title or interest of any third party.

5. Covenants Concerning Grantor's Legal Status. Grantor covenants with the Secured Party as follows: (i) without providing at least 30 days prior written notice to Secured Party, Grantor will not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number if it has one, (ii) if Grantor does not have an organizational identification number and later obtains one, Grantor shall forthwith notify Secured Party of such organizational identification number, and (iii) Grantor will not change its type of organization, jurisdiction of organization or other legal structure.

6. Covenants Concerning Collateral, etc. Grantor further covenants with Secured Party as follows: (i) except for the security interest herein granted and the security interest or interests listed in the attached Schedule C, Grantor shall be the owner of the Collateral free from any right or claim of any other person, lien, security interest or other encumbrance, and Grantor shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein adverse to the Secured Party, (ii) Grantor shall not pledge, mortgage or create, or suffer to exist any right of any person in or claim by any person to the Collateral, or any security interest, lien or encumbrance in the Collateral in favor of any person, other than the Secured Party and the party or parties listed in the attached Schedule C, (iii) Grantor will permit Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located, (iv) Grantor will at its own expense and using commercially reasonable efforts, protect and defend the Patents, Copyrights, and Marks against all claims or demands of all persons other than those holding Permitted Liens (v) Grantor will at its own expense maintain the Patents, Marks, Copyrights, and other Collateral, including without limitation, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefore, and pay promptly when due all taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with the use or operation of such Collateral or incurred in connection with this

Agreement, and (vi) Grantor will not sell, abandon, fail to renew, or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein.

7. Use of Collateral. Grantor may use the Forest Grove Lumber Intellectual Property in any lawful manner not inconsistent with the terms hereof or the terms of the Forebearance And Repayment Agreement.

8. Continuing Security Interest; Termination. Grantor agrees that this Agreement creates a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with this section. The security interests granted under this Agreement shall terminate only when the Forebearance And Repayment Agreement shall have been terminated in accordance with its terms and all Obligations owing thereunder shall have been performed and/or satisfied. At such time, all rights to the Forest Grove Lumber Intellectual Property pledged or assigned by Grantor shall revert to Grantor. Upon such termination Secured Party will execute and deliver to Grantor such documents as Grantor shall reasonably request to evidence such termination.

9. Collateral Protection Expenses; Preservation of Collateral.

(a) Expenses Incurred by Secured Party. In Secured Party's discretion, if Grantor fails to do so, Secured Party may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral and pay any necessary filing fees. Grantor agrees to reimburse Secured Party on demand for all expenditures so made. Secured Party shall have no obligation to Grantor to make any such expenditures, nor shall the making thereof be construed as the waiver or cure of any Default or Event of Default.

(b) Secured Party's Obligations and Duties. Anything herein to the contrary notwithstanding, Grantor shall remain obligated and liable under each contract or agreement comprised in the Collateral to be observed or performed by Grantor thereunder. Secured Party shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by Secured Party of any payment relating to any of the Collateral, nor shall Secured Party be obligated in any manner to perform any of the obligations of Grantor under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by Secured Party in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to Secured Party or to which Secured Party may be entitled at any time or times.

10. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Grantor, Secured Party and their respective successors and assigns. Grantor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder except as specifically permitted by the Forebearance And Repayment Agreement.

11. Notification to Persons Obligated on Collateral. If an Event of Default shall have occurred and be continuing, Grantor shall, at the request and option of Secured Party, notify persons obligated on any of the Collateral of the security interest of Secured Party in any Collateral and that payment thereof, if any, is to be made directly to Secured Party or to any financial institution designated by Secured Party as Secured Party's agent therefor, and Secured Party may itself, if an Event of Default shall have occurred and be continuing, without notice to or demand upon the Grantor, so notify account Grantors and other persons obligated on Collateral. After the making of such a request or the giving of any such notification, Grantor shall hold any proceeds of collection of Collateral received by Grantor as trustee for Secured Party without commingling the same with other funds of Grantor and shall turn the same over to Secured Party in the identical form received, together with any necessary endorsements or assignments. Secured Party shall apply the proceeds of collection of Collateral received by Secured Party to the Obligations, such proceeds to be immediately credited after final payment in cash or other immediately available funds of the items giving rise to them.

12. Appointment and Powers of Secured Party. From and after the occurrence of an Event of Default and during its continuance, with respect to section 12(a), and with or without an Event of Default, with respect to section 12(b), Grantor hereby irrevocably constitutes and appoints Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Grantor or in Secured Party's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of Grantor, without notice to or assent by Grantor, to do the following:

(a) upon the occurrence and during the continuance of a Default or an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise dispose of or deal with any of the Collateral in such manner as is consistent with the Uniform Commercial Code of the State of Washington and as fully and completely as though Secured Party were the absolute owner thereof for all purposes, and to do, at Grantor's expense, at any time, or from time to time, all acts and things which Secured Party deems necessary or useful to protect, preserve or realize upon the Collateral and Secured Party's security interest therein, in order to effect the intent of this Agreement, all at least as fully and effectively as Grantor might do, including, without limitation, (i) the filing and prosecuting of registration and transfer applications with the appropriate federal, state, local or other agencies or authorities with respect to trademarks, copyrights and patentable inventions and processes, and (ii) the execution, delivery and recording, in connection with any sale or other disposition of any Collateral, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral; and

(b) to the extent that Grantor's authorization given in Section 3 is not sufficient, to file such financing statements with respect hereto, with or without Grantor's signature, or a photocopy of this Agreement in substitution for a financing statement, as

Secured Party may deem appropriate and to execute in Grantor's name such financing statements and amendments thereto and continuation statements which may require Grantor's signature.

13. No Duty on Secured Party. The powers conferred on Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to Grantor for any act or failure to act, except for the Secured Party's own gross negligence or willful misconduct or for the Secured Party's failure to comply with its duties and obligations as a secured party under the UCC to the extent it exercises its rights as a secured party hereunder.

14. Rights and Remedies. If an Event of Default shall have occurred and be continuing, Secured Party, without any other notice to or demand upon Grantor, in addition to all other rights and remedies, shall have the rights and remedies of a secured party under the Uniform Commercial Code and any additional rights and remedies which may be provided to a secured party in any jurisdiction in which Collateral is located, including, without limitation, (a) the right to sell, assign, transfer, pledge, encumber or otherwise dispose of any Forest Grove Lumber Intellectual Property, (b) the right to take possession of the Collateral, and for that purpose Secured Party may, so far as Grantor can give authority therefor, enter upon any premises on which Collateral may be situated and remove the same therefrom, and (c) the right to enforce the Forest Grove Lumber Intellectual Property, including any licenses thereunder. Secured Party may in its discretion require Grantor to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of Grantor's principal office(s) or at such other locations as Secured Party may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give to Grantor at least ten (10) Business Days prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. Grantor hereby acknowledges that ten Business Days prior written notice of such sale or sales shall be reasonable notice.

15. Standards for Exercising Rights and Remedies. To the extent that applicable law imposes duties on Secured Party to exercise remedies in a commercially reasonable manner, Grantor acknowledges and agrees that it is not commercially unreasonable for Secured Party (i) to fail to incur expenses reasonably deemed significant by Secured Party to prepare Collateral for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against account Grantors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral, (iv) to exercise collection remedies against account Grantors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to

advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other persons, whether or not in the same business as Grantor, for expressions of interest in acquiring all or any portion of the Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, (xi) to purchase insurance or credit enhancements to insure Secured Party against risks of loss, collection or disposition of Collateral or to provide to Secured Party a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Secured Party in the collection or disposition of any of the Collateral. Grantor acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by Secured Party would fulfill Secured Party's duties under the Uniform Commercial Code or other law in Secured Party's exercise of remedies against the Collateral and that other actions or omissions by Secured Party shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section. Without limitation upon the foregoing, nothing contained in this Section shall be construed to grant any rights to Grantor or to impose any duties on Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 15.

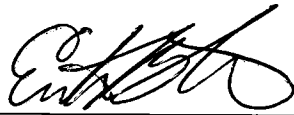
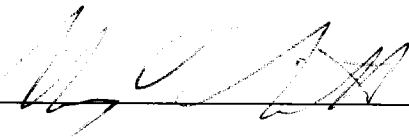
16. No Waiver by Secured Party, etc. Secured Party shall not be deemed to have waived any of its rights or remedies in respect of the Obligations or the Collateral unless such waiver shall be in writing and signed by Secured Party. No delay or omission on the part of Secured Party in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All rights and remedies of Secured Party with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as Secured Party deems expedient.

17. Governing Law; Jurisdiction; Venue; Service of Process. This Agreement has been executed and delivered at and shall be deemed to have been made in Seattle, Washington. This Agreement and the rights granted herein shall be governed by and construed and enforced under the laws of the State of Washington (without giving effect to any conflicts of law rules or principles). IN ANY ACTION OR OTHER LEGAL PROCEEDING RELATING TO THIS AGREEMENT, THE PARTIES (I) CONSENT TO THE PERSONAL JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN THE STATE OF WASHINGTON, (II) WAIVE OBJECTION TO THE LAYING OF VENUE BEFORE ANY SUCH COURT, (III) WAIVE PERSONAL SERVICE OF PROCESS, AND (IV) CONSENT TO SERVICE OF PROCESS BY REGISTERED OR CERTIFIED MAIL, WITH SUCH SERVICE OF PROCESS TO BE DEEMED COMPLETED FIVE DAYS AFTER MAILING.

18. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile shall be equally as effective as delivery of a manually executed counterpart. Any party hereto delivering a counterpart of this Agreement by facsimile shall also deliver a manually executed counterpart, but the failure to so deliver a manually executed counterpart shall not affect the validity, enforceability, or binding effect hereof.

19. Statutory Notice. **ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

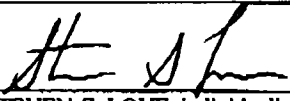
IN WITNESS WHEREOF, authorized signers for the parties have duly executed this Agreement as of the Effective Date.

WELLS FARGO BANK NATIONAL ASSOCIATION By: 	FOREST GROVE LUMBER COMPANY, INC. By: 
Print Name: <u>Erik Bengtzen</u>	Print Name: <u>Sid Smith</u>
Title: <u>Vice President</u>	Title: <u>President</u>

Acceptance of and agreement to Sections 1(c) and 4(f), above, only:

<p>FOREST GROVE ASSOCIATES, INC.</p> <p>By: <u>Jack Burnard</u></p> <p>Print Name: <u>JACK BURNARD</u></p> <p>Title: <u>President</u></p>	
<p><u>SIDNEY T. SMITH, individually</u></p>	<p><u>STEVEN G. LOVE, individually</u></p>
<p><u>Robert J. Burnard</u></p> <p>ROBERT J. BURNARD, individually</p>	

Acceptance of and agreement to Sections 1(c) and 4(f), above, only:

FOREST GROVE ASSOCIATES, INC. By: _____ Print Name: _____ Title: _____	
_____ SIDNEY T. SMITH, individually	 _____ STEVEN G. LOVE, individually
_____ ROBERT J. BURNARD, individually	

STATE OF OREGON)
) ss.:
COUNTY OF Yamhill)

The foregoing instrument was acknowledged before me on November 24, 2009, by Sidney T. Smith, the President of Forest Grove Lumber Company, Inc., a Oregon corporation, for and on behalf of such corporation.

Kathleen D. Williams
Notary Public

[NOTARY SEAL]



STATE OF OREGON)
) ss.:
COUNTY OF Yamhill)

The foregoing instrument was acknowledged before me on November 24, 2009, by Robert J. Burnard, the President of Forest Grove Associates, Inc., a Oregon corporation, for and on behalf of such corporation.

Kathleen D. Williams
Notary Public

[NOTARY SEAL]



State of Oregon)
) ss.
Yamhill County)

On this 24 day of Nov, 2009, before me personally appeared Sidney T. Smith, to me known to be the person named in and which executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

DATED this 24th day of Nov, 2009.

(Seal or stamp)



Kathleen D. Williams
Notary Signature

Kathleen D. Williams
Print/Type Name
Notary Public in and for the State of OR,
residing at Dayton, Oregon
My appointment expires 4/1/2013

State of Oregon)
) ss.
Yamhill County)

On this 24 day of Nov., 2009, before me personally appeared Robert J. Burnard, to me known to be the person named in and which executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

DATED this 24th day of Nov., 2009.

(Seal or stamp)



Kathleen D. Williams
Notary Signature

Kathleen D. Williams
Print/Type Name
Notary Public in and for the State of OR,
residing at Dayton, Oregon
My appointment expires 4/1/2013

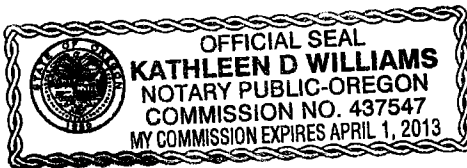
State of Oregon)
) ss.
Yamhill County)

On this 24 day of Nov., 2009, before me personally appeared Steven G. Love, to me known to be the person named in and which executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

DATED this 24th day of Nov., 2009.

(Seal or stamp)



Kathleen D. Williams
Notary Signature

Kathleen D. Williams
Print/Type Name

Notary Public in and for the State of OR,
residing at Dayton, OR

My appointment expires 4/1/2013

Utah
STATE OF ~~WASHINGTON~~)
COUNTY OF Salt Lake) ss.

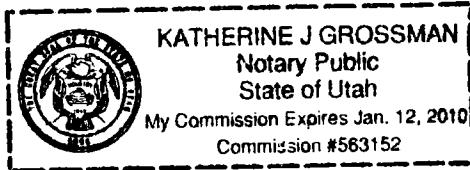
I certify that I know or have satisfactory evidence that Erik Bergtzen is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the vice president of Wells Fargo Bank National Association, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: 12/1/9

Katherine J. Grossman
Print Name: Katherine J. Grossman

NOTARY PUBLIC for the State of

Utah ~~Washington~~, residing at
Salt Lake



My appointment expires:

1/12/10

Schedule A

FOREST GROVE LUMBER INTELLECTUAL PROPERTY

TRADEMARKS

<u>Mark</u>	<u>Jurisdiction</u>	<u>Owner</u>	<u>Reg. No.</u>	<u>Status</u>
ACCURUFF	United States	Forest Grove Lumber Company, Inc.	1,579,031	Registered 1/23/90
ACCURUFF (Stylized)	United States	Forest Grove Lumber Company, Inc.	2,054,962	Registered 4/22/97
E-FIELD	United States	Forest Grove Lumber Company, Inc.	2,839,400	Registered 11/22/00
HEATWAVE	United States	Forest Grove Lumber Company, Inc.	2,837,622	Registered 11/22/00
Q-SIFT	United States	Forest Grove Lumber Company, Inc.	2,766,096	Registered 11/22/00
TRU-DRY (Stylized)	United States	Forest Grove Lumber Company, Inc.	2,945,224	Registered 4/26/05
E-FIELD	Canada	Forest Grove Lumber Company, Inc.	TMA580,945	Registered 5/7/03
HEATWAVE	Canada	Forest Grove Lumber Company, Inc.	TMA589,147	Registered 9/8/03
Q-SIFT	Canada	Forest Grove Lumber Company, Inc.	TMA558,874	Registered 3/6/02

PATENTS

<u>Title</u>	<u>Jurisdiction</u>	<u>Owner</u>	<u>Patent No.</u>	<u>Status</u>
Dielectric drying kiln electrode connector	United States	Forest Grove Lumber Company, Inc.	5,942,146	Issued 8/24/99
Dielectric drying kiln material handling system	United States	Forest Grove Lumber Company, Inc.	6,080,978	Issued 6/27/00
Dielectric heating using inductive coupling	United States	Forest Grove Lumber Company, Inc.	6,417,499	Issued 7/9/02
Electrode structure for dielectric heating	United States	Forest Grove Lumber Company, Inc.	6,225,612	Issued 5/1/01
High frequency dielectric heating system	United States	Forest Grove Lumber Company, Inc.	6,423,955	Issued 7/23/02
Moisture measurement control of wood in radio frequency dielectric processes	United States	Forest Grove Lumber Company, Inc.	6,124,584	Issued 9/26/00
Vacuum port positioning for vacuum drying systems	United States	Forest Grove Lumber Company, Inc.	6,317,997	Issued 11/20/01
Dielectric drying kiln electrode connector	Canada	Forest Grove Lumber Company, Inc.	2343302	Issued 8/29/06
Dielectric drying kiln material handling system	Canada	Forest Grove Lumber Company, Inc.	2343300	Issued 5/8/07
Electrode structure for dielectric heating	Canada	Forest Grove Lumber Company, Inc.	2414838	Filed 6/21/01
High frequency dielectric heating system	Canada	Forest Grove Lumber Company, Inc.	2453052	Issued 11/18/08
Improved dielectric heating using inductive coupling	Canada	Forest Grove Lumber Company, Inc.	2414253	Filed 6/21/01

<u>Title</u>	<u>Jurisdiction</u>	<u>Owner</u>	<u>Patent No.</u>	<u>Status</u>
Moisture measurement control of wood in radio frequency dielectric processes	Canada	Forest Grove Lumber Company, Inc.	2375257	Filed 5/15/00
Vacuum port positioning for vacuum drying systems	Canada	Forest Grove Lumber Company, Inc.	2425550	Issued 5/19/09

Schedule B

ADDENDUM TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

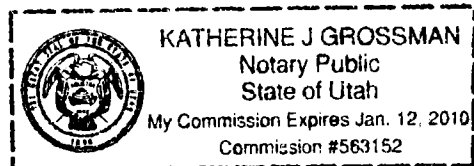
This Addendum to Intellectual Property Security Agreement is executed on _____, 2009 (the "Effective Date") pursuant to, and is an addendum to the Intellectual Property Security Agreement, dated _____, 2009, between Wells Fargo Bank National Association and Forest Grove Lumber Company, Inc.

This Addendum to Intellectual Property Security Agreement is presented for recordation as constructive notice that Forest Grove Lumber Company, Inc., an Oregon corporation ("Grantor"), with its principal office at 2700 Orchard Ave, the owner of the intellectual property identified in ***Schedule 1*** attached hereto, has granted to Wells Fargo Bank National Association ("Secured Party"), with its principal office at _____, a security interest in the intellectual property, to secure performance of all Obligations by Grantor as defined in the Intellectual Property Security Agreement.

IN WITNESS WHEREOF, authorized signers for the parties have duly executed this Addendum to Intellectual Property Security Agreement as of the Effective Date.

<u>Forest Grove Lumber Co./Inc.</u> By: <u>[Signature]</u>	Wells Fargo Bank National Association By: <u>[Signature]</u>
Print Name: <u>Sid Smith</u>	Print Name: <u>Erik Bengtzen</u>
Title: <u>President</u>	Title: <u>Vice President</u>
STATE OF <u>Oregon</u>) COUNTY OF <u>Yamhill</u>) ss.	STATE OF <u>Utah</u>) COUNTY OF <u>Salt Lake</u>) ss.
I certify that I know or have satisfactory evidence that	I certify that I know or have satisfactory evidence that

<p><u>Sid Smith</u> is the person who appeared before me, a duly authorized representative of Forest Grove Lumber Company, Inc., and said person acknowledged that (s)he signed this instrument and acknowledged it to be a free and voluntary act for the uses and purposes mentioned in this instrument.</p> <p><u>Kathleen D. Williams</u> Kathleen D. Williams Print Name: NOTARY PUBLIC for the State of <u>Oregon</u>, residing at <u>Dayton, Oregon</u> My appointment expires: <u>4/1/13</u></p> <p>DATED: <u>11/24/09</u></p>	<p><u>Erik Bengtzen</u> is the person who appeared before me, a duly authorized representative of Wells Fargo Bank National Association and said person acknowledged that (s)he signed this instrument and acknowledged it to be a free and voluntary act for the uses and purposes mentioned in this instrument.</p> <p><u>Katherine J. Grossman</u> Katherine J. Grossman Print Name: NOTARY PUBLIC for the State of <u>Utah</u>, residing at My appointment expires: <u>1/10/10</u></p> <p>DATED: <u>12/1/9</u></p>
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Schedule 1 to Addendum

FOREST GROVE LUMBER INTELLECTUAL PROPERTY

TRADEMARKS

<u>Mark</u>	<u>Jurisdiction</u>	<u>Owner</u>	<u>Reg. No.</u>	<u>Status</u>
ACCURUFF	United States	Forest Grove Lumber Company, Inc.	1,579,031	Registered 1/23/90
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<u>Title</u>	<u>Jurisdiction</u>	<u>Owner</u>	<u>Patent No.</u>	<u>Status</u>
Moisture measurement control of wood in radio frequency dielectric processes	Canada	Forest Grove Lumber Company, Inc.	2375257	Filed 5/15/00
Vacuum port positioning for vacuum drying systems	Canada	Forest Grove Lumber Company, Inc.	2425550	Issued 5/19/09

Schedule C

PERMITTED LIENS

The Grantor has granted to Wells Fargo Bank, National Association, acting through its _____ operating division ("Wells Fargo"), for the benefit of Wells Fargo, a lien and security interest in the Collateral, as security for the payment and performance of all indebtedness owed by the Grantor to Wells Fargo, including, without limitation, pursuant to that certain Agreement, dated September 30, 2009, between the Grantor, as borrower, and Wells Fargo, as lender, which governs a revolving line of credit in the original maximum principal amount of \$ _____, as the same may be renewed, amended, substituted or replaced from time to time. In connection with the foregoing, Wells Fargo has filed a UCC financing statement with the Oregon _____, Division of _____ on _____, 2009, File No. _____, naming the Grantor as debtor and Wells Fargo as secured party.

PERFECTION CERTIFICATE
(UCC Financing Statements)

The undersigned, the President and _____ of FOREST GROVE LUMBER COMPANY, INC., an Oregon corporation ("Grantor"), hereby certifies, with reference to a certain Intellectual Property Security Agreement ("Security Agreement") dated November 24, 2009 (terms defined in such Security Agreement having the same meanings herein as specified therein), between the Grantor and Wells Fargo Bank NA ("Secured Party"), to Secured Party as follows:

1. Name. The exact legal name of Grantor as that name appears on its Articles of Incorporation is as follows:

FOREST GROVE LUMBER COMPANY, INC.

2. Other Identifying Factors.

(a) The following is a mailing address for Grantor:

2700 Orchard Ave
Mc Minnville, OR 97128

(b) If different from its indicated mailing address, Grantor's place of business or, if more than one, its chief executive office is located at the following address:

Address	County	State
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(c) The following is the type of organization of Grantor:

Corporation

(d) The following is the jurisdiction of Grantor's organization:

Oregon

(e) The following is Grantor's state issued organizational identification number [state "None" if the state does not issue such a number]:

664003

3. Other Names, etc.

(a) The following is a list of all other names (including trade names or similar appellations) used by Grantor, or any other business or organization to which Grantor became the successor by merger, consolidation, acquisition, change in form, nature or jurisdiction of organization or otherwise, now or at any time during the past five years:

(b) Attached hereto as Schedule 3 is the information required in Section 2 for any other business or organization to which Grantor became the successor by merger, consolidation, acquisition of assets, change in form, nature or jurisdiction of organization or otherwise, now or at any time during the past five years:

4. Other Current Locations.

(a) The following are all other locations in the United States of America in which Grantor maintains any books or records relating to any of the Collateral consisting of accounts, instruments, chattel paper, general intangibles or mobile goods:

Address	County	State
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(b) The following are all other places of business of Grantor in the United States of America:

Address	County	State
		Oregon

(c) The following are all other locations in the United States of America where any of the Collateral consisting of inventory or equipment is located:

Address	County	State
N/A		

(d) The following are the names and addresses of all persons or entities other than Grantor, such as lessees, consignees, warehousemen or purchasers of

chattel paper, which have possession or are intended to have possession of any of the Collateral consisting of instruments or chattel paper:

Name	Mailing Address	County	State
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5. Prior Locations.

(a) Set forth below is the information required by Section 4(a) or (b) with respect to each location or place of business previously maintained by Grantor at any time during the past five years in a state in which Grantor has previously maintained a location or place of business at any time during the past four months:

<u>Address</u>	<u>County</u>	<u>State</u>
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(b) [Intentionally Omitted]

6. File Search Reports. Attached hereto as Schedule 6(A) is a true copy of a file search report from the Uniform Commercial Code filing officer (or, if such officer does not issue such reports, from an experienced Uniform Commercial Code search organization acceptable to Secured Party) (i) in each jurisdiction identified in Section 2(d) or in Section 4 or 5 with respect to each name set forth in Section 1 or 3, and (ii) in each jurisdiction in which any of the transactions described in Schedule 3 took place with respect to the legal name of the person from which the Grantor purchased or otherwise acquired any of the Collateral. Attached hereto as Schedule 6(B) is a true copy of each financing statement or other filing identified in such file search reports.

IN WITNESS WHEREOF, we have hereunto signed this Certificate on Nov. 24, 2009.

Title: Sidney T. Smith, President

Title: _____